

## **Proposed State Plan For CALFED Package**

### **PURPOSES**

- ☐ Summarize CALFED common programs receiving broad support
- ☐ Outline State proposal for Environmental Water Account, including:
  - (1) Environmental baseline,
  - (2) EWA assets, and
  - (3) ESA assurances
- ☐ List additional State ideas for Water Management Strategy

Attachment 1: Quantifying B2 Components

Attachment 2: Definition of B2 Terms

Attachment 3: 4-10-2000 storage recommendations

Attachment 4: 4-10-2000 transfers recommendations

Attachment 5: 4-10-2000 EWA assets recommendations

### **COMMON PROGRAMS** – those for which there is broad agreement

- ☐ Conveyance
- ☐ Storage
- ☐ Water Transfers
- ☐ Water Use Efficiency
- ☐ Ecosystem Restoration Program
- ☐ Water Quality
- ☐ Drainage
- ☐ Watershed
- ☐ Levee System Integrity

#### **1. Conveyance**

- a. Complete South Delta Improvements Program EIR/S and ROD by summer 2002.
  - Increase allowable maximum export to 8,500 cfs immediately after ROD.
  - Increase allowable max. export to 10,300 cfs immediately after construction of first module (2,500 cfs) of the screened intake. (2004)
  - Support 3 operational agricultural barriers, including Grant Line Canal while recognizing a better alternative is possible as a result of continuing technical studies – final decision summer 2002.
- b. Immediately develop more efficient use of Delta Cross Channel and support this effort with aggressive modeling, real-time monitoring and operational actions.
- c. Immediately begin feasibility study of a screened diversion in the North Delta; decide by 2005 to build if DCC program does not succeed.

#### **2. Storage**

Implement storage recommendations made for the 4-10-2000 meeting (Enlarged Shasta, Sites Reservoir including local planning role, In-Delta storage, Los

Vaqueros enlargement, more storage on the upper San Joaquin River (Friant), groundwater conjunctive use programs).

**3. Water Transfers**

Implement recommendations made for 4-10-2000 meeting in the areas of:

- a. increased conveyance availability,
- b. lower transaction costs, and
- c. increased sharing of market information.

These recommendations are designed to improve a water market for sellers, buyers and third parties. Recommended measures need to make real improvements in a California water transfers market within the next three years. If not, CALFED agencies must commit to support more aggressive actions. These initial recommendations must be in place to secure legal and political support for construction of new facilities, an expanded EWA, and other elements of the Program.

Regarding the issue of "fair compensation" for third party use of publicly owned water conveyance facilities, it is recognized this is a complex issue tied currently to litigation and proposed legislation. The State position is that a workable solution shall be developed no later than July 1, 2001 or the Davis Administration will sponsor legislation settling the matter.

**4. Water Use Efficiency**

**5. Ecosystem Restoration Program**

**6. Water Quality**

**7. Drainage (see recommendation below regarding the Water Management Strategy)**

**8. Watershed**

**9. Levee System Integrity**

## OTHER PROGRAMS: STATE POSITION

- Environmental Water Account (area of dispute)
- Water Management Strategy (new State ideas)

1. **Environmental Water Account** – The components are the environmental baseline, EWA assets (both initial and long term) and ESA assurances.

Discussion. There are three conceptual options. Which option works best will depend in part on the magnitude of the acre-feet difference in the State and Federal positions on the baseline.

- a. **OPTION 1:** Agree to environmental baseline, develop an EWA of 300,000 acre-feet or more and get “full assurances” (which are less than 100 percent) from fishery regulatory agencies. → **FEDERAL APPROACH**
- b. **OPTION 2:** Agree to environmental baseline, develop additional water supplies and operational tools that are shared between the EWA and water users, do not get “full assurances.”
- c. **OPTION 3:** Agree to environmental baseline, develop additional water supplies and operational tools that are shared between the EWA and water users, and get “full assurances” (which are less than 100 percent) from fishery regulatory agencies. → **WATER USER APPROACH**

In all three cases it is recommended that the State position be the same for the environmental baseline. The variables are how the assets / tools are allocated and the degree of ESA assurances provided. The environmental baseline is recommended below followed by three options (1, 2 and 3) for assets and assurances.

### Environmental Baseline

- a. 1995 Water Quality Control Plan
- b. Existing winter run biological opinion
- c. Existing Delta smelt biological opinion, with the disputed 2:1 provision considered a desired but voluntary action
- d. Phased Trinity decision
  - Implement DFG recommendations regarding flow release flexibility
  - Full implementation is phased in as water management tools come on line.
- e. Modified b2 implementation plan
  - Reset → Delete the “reset” provision (Section B.1. of the DOI Implementation Plan). *[Alternative approach is restricting use of “reset” amount to upstream flow augmentation – no additional export reductions]*
  - Offset → Delete the “offset” provision (this is defined in Attachment 2).
  - ESA Use → Firm up policy for use of b2 water for prescribed ESA actions
  - WQCP Cap → Delete the 450,000 acre-feet cap on use of b2 water to meet the CVP share of the Water Quality Control Plan. *[Alternative*

*approach: In years when the CVP obligation under the WQCP exceeds the 450,000 acre-feet annual cap for use of b2 water, the amount of the exceedence shall be accumulated and an equal amount shall be allocated from the b2 account in future years when the CVP obligation is less than the cap. Taking into account the unpredictable nature of hydrology as well as the expected low level of probability that the cap would be exceeded, every reasonable effort shall be made to increase CVP water deliveries by the amount of the cumulative exceedence as soon as practicable, not to exceed \_\_\_\_\_ acre-feet per year.]*

- B2 Crediting Issue → b2 water releases for upstream fishery purposes at times become available for export in the Delta when only the SWP has export capacity. This issue is characterized by the Federal Team as a “windfall” and by the State Team as allowed under California water rights law and the accounting methodology under the Federal-State Coordinated Operations Agreement. The State’s position is set forth under the Water Management Strategy below.

#### OPTION 1 -- full EWA, “full” assurances

##### EWA Assets

- a. Implement 4-10-2000 recommended initial actions. All tools go to EWA.
- b. Support concept of sharing benefits of future permanent water supply augmentation projects to build up the EWA to a scientifically supportable level, not to exceed \_\_\_\_\_ acre-feet per year.
- c. Scientific credibility for EWA actions (as well as all CALFED actions) must be part of the underpinning of the program. Minimize subjective decisions in developing and justifying elements and magnitude of EWA.

##### ESA Assurances

There has been discussion about “no assurances” vs. “full assurances.” No proposal for full, absolutely guaranteed assurances has been put forth by the federal regulatory agencies. Conceptually there is appeal for matching a level of risk with a level of certainty. To that end and recognizing the State proposal above for an environmental baseline and EWA, the following ESA assurances package is recommended:

- No increased water restrictions above the baseline due to conditions imposed by ESA biological opinions, other than exceeding take limits which are found to threaten jeopardy. This includes pending biological opinions for spring run Chinook salmon, steelhead trout and Sacramento splittail.
- EWA to be used first to compensate (i.e. “no net loss”) for requested additional voluntary measures to improve conditions for listed fish

species, second for "take" exceedence which threatens jeopardy if water available.

OPTION 2 – shared assets / tools, less than full assurances (compromise position which assumes that regulatory agencies will not provide full assurances for a lower level of EWA assets)

EWA Assets

Same as Option 1 except that all assets are shared equally between the EWA and water users.

ESA Assurances

Same as Option 1 except that no assurances after balance of EWA used for discretionary measures (no guarantee of "no net loss" for anything other than "take" which threatens jeopardy).

OPTION 3 – shared assets, full assurances (option preferred primarily by export water users)

EWA Assets

Same as Option 2 (shared equally with water users).

ESA Assurances

Same as Option 1.

## **2. Water Management Strategy**

CALFED's overall water management strategy would include specific measures to improve water supply reliability and supplies both in the near term and the long term. The water use efficiency measures in the common program – conservation, reclamation, and transfers – are included in the water management strategy. The State recommends the following additions:

- a. Water users are to be given equal access to the near-term, temporary tools to be developed for the EWA (e.g. direct purchases, temporary storage agreements, regulatory flexibility to allow increased Delta pumping). This provides an incentive for both supplies to increase over time, and reflects the fact that the water users directly control many tools.
- b. Support the SWP entering into a long-term Interruptible Water contract with CVP water users most impacted by b2 implementation, subordinate to the SWP long-term water supply contracts.
- c. Proceed immediately with evaluation of a 400 cfs interconnection from the Delta-Mendota Canal to the California Aqueduct to allow full use of Tracy Pumping Plant capabilities, which are currently restricted by downstream DMC conditions.

- d. Complete required analyses and reports to begin construction by 2003 of a San Luis Reservoir bypass pipeline (with on-line storage as may be identified) between the California Aqueduct and the San Felipe Project facilities to resolve the San Luis Reservoir "low point" problem and greatly increase SWP/CVP operational flexibility.
  - e. Support early and aggressive State and Federal funding for permanent agricultural land retirement on the west side of the San Joaquin Valley to meet needs for reduced agricultural drainage and increased water supply reliability. Water supplies associated with such lands shall remain in the local water districts, while land shall go into public ownership largely for environmental purposes.
  - f. Joint Point of Diversion priorities:
    - Conveyance of Level 2 wildlife refuge supplies as contemplated under CVPIA Section 3406(d)(5)
    - Share remaining equally between EWA and water users, including Interruptible Water for CVP users
  - g. Crediting / "Windfall" Issue → this issue is tied fundamentally to the assumptions leading to the COA and needs to be settled in that context. Suggest beginning discussions focused on the Schuster March 3, 2000 memorandum (outcome cannot be pre-determined without further technical discussions between DWR and USBR).
- Support operational modifications to the 1995 Water Quality Control Plan standards as needed based on real-time experiences and identified implementation problems.